STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

March 11, 2016

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

PSF No.: 16OD-018

OAHU

Issuance of Right-of-Entry Permit to Hawaii Explosives and Pyrotechnics, Inc. for Aerial Fireworks Display on March 28, 2016 at the beach fronting Kahala Hotel, Waialae, Honolulu, Oahu, Tax Map Key: (1) 3-5-023:seaward of 041

APPLICANT:

Hawaii Explosives and Pyrotechnics, Inc.

LEGAL REFERENCE:

Sections 171-55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated Waialae, Honolulu, Oahu, identified by Tax Map Key: (1) 3-5-023:seaward of 041, as shown on the attached map labeled Exhibit A.

AREA:

500 square feet, more or less, and a safety zone with a radius of approximately 250 feet around the firing site.

ZONING:

State Land Use District:

Urban

City and County of Honolulu LUO: Resort (for abutting property)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Encumbered by Right-of-entry 4126 to Resorttrust Hawaii LLC, Permittee, for recreational and maintenance purposes.

CHARACTER OF USE:

Set up and firing of aerial fireworks display.

TERM:

Between 12:00 p.m. to 10:00 p.m. on March 28, 2016, Monday.

RENTAL:

\$550 (One-time payment. See Remarks Section for breakdown of costs).

COLLATERAL SECURITY DEPOSIT:

None.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with Hawaii Administrative Rule Section 11-200-8 and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item 51. See **Exhibit B**.

DCCA VERIFICATION:

Place of business registration confirmed:	YES X	NO
Registered business name confirmed:	YES X	NO
Applicant in good standing confirmed:	YES X	NO

REMARKS:

Around 1963, the developer of the abutting hotel parcel obtained the approval from the State to excavate the rock coastline and develop a beach and two small islets. The Board approved the agreement at its meeting on January 25, 1963. Subsequent to 1968, revocable permits were issued to the respective hotel owners over the subject location for recreational and maintenance purposes.

At its meeting of October 10, 2014, under agenda item D-5, the Board approved as amended the issuance of a revocable permit for recreational and maintenance purposes to Resorttrust Hawaii, LLC; and the issuance of a management right-of-entry during the interim period until the issuance

of a new revocable permit is executed.

Hawaii Explosives & Pyrotechnics, Inc. is requesting the issuance of a right-of-entry permit for the set-up and firing of fireworks display on the seawall groin fronting the Kahala Hotel for the Special Event Fireworks Display on March 28, 2016.

The set-up and firing of the aerial fireworks display for this event will include the staging area and the firing of the aerial fireworks display from a platform on the seawall groin fronting the Kahala Hotel consisting of 500 square feet from 12:00 p.m. to 10:00 p.m. on March 28, 2016.

At the September 25, 2015 Board meeting (item D-11) for an identical request for firework display, testimony was provided by a member of the general public regarding impact to the surroundings. The concerns included the impact of after-explosion fallout to the ocean marine life and dolphin enclosure, and noise effects on the dolphins. Responses from the Division of Aquatic Resources, Kahala's Dolphin Quest, and Hawaii Explosives & Pyrotechnics, Inc. to the testimony showed no adverse effects to marine life in the vicinity, and no adverse effects to the dolphins' health or well-being.

At its meeting on January 22, 2016, under agenda item D-23, the Board approved as amended an ROE for an aerial fireworks display provided a deposit of \$2,500 be collected to ensure the timely clean-up of State submerged lands in the fallout area following the event. The Board directed that an inspection of the area be conducted after the event and the deposit be returned if the fireworks debris was satisfactorily removed. If the staff determined that the clean-up was unsatisfactory, the deposit would be forfeited and the Board shall be advised of the unsatisfactory clean-up and forfeiture of the deposit the next time a permit for fireworks display was requested.

At its meeting on February 12, 2016, under agenda item D-10, the Board approved as amended an ROE for an aerial fireworks display contingent on the following: 1) The \$2,500 deposit be collected to ensure the adequate clean-up of the area after the show; 2) The ROE shall contain a covenant from Hawaii Explosives to clean up the area after the show; and 3) Regarding future shows, Hawaii Explosives shall meet with staff to discuss a workable and reasonable: i) amount for the refundable cash deposit; ii) provisions that would assure the area is cleaned, to the satisfaction of the staff, of fireworks debris after the show; and iii) whether additional administrative fees would be imposed to cover staff time and cost.

On February 17, 2016, staff met with Hawaii Explosives (HE) and reiterated that HE will be held accountable for the clean-up and post-inspection of the fallout area (which includes land and off-shore areas; provided that the off-shore areas can be cleaned and inspected with reasonable care for human safety). HE shall provide photographic proof of the clean-up areas; all photographs shall be date stamped. HE shall also have a management representative from the landowner of the abutting property sign a certification form acknowledging that both land and off-shore area have been cleaned to their satisfaction. And, staff proposed HE obtain a performance bond in the amount of \$250,000 in lieu of the clean-up deposit. HE will review the new arrangement internally and return to the Land Division for a response. During a follow-up meeting, HE did not agree with the performance bond, but agreed with the \$2,500 deposit. Staff believes the deposit

would not be an adequate amount if we had to procure the services of a contractor to remove the fireworks debris from the off-shore area. Staff believes the contractor's cost would be a significant amount since it would involve the use of certified divers. Notwithstanding fireworks vendor's disagreement, staff believes if the Board would like assurance the area is cleaned-up after a show, then staff recommends requiring a performance bond (similar to what the BLNR requires for its leases) supporting the ROE conditions in the amount of \$250,000.

Staff recommends that the \$250,000 performance bond be applicable to all future applicants requesting a fireworks display ROE. See **Exhibit C** – a redlined ROE showing changes to the standard template.

Also, staff is recommending that a charge of \$500 be imposed to cover the exclusive use of the safety zone as shown on Exhibit A. The total cost for this right-of-entry, which includes the staging area of \$50 will be \$550.

As in previous fireworks events, the Applicant will provide a courtesy notice to the manager of the adjacent Kahala Beach Condominium, who will post the notice on the bulletin board within the condominium regarding the March 28, 2016 event.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the past five years due to non-compliance with such terms and conditions. No comments were solicited from government or community agencies. There are no pertinent issues or concerns.

Staff does not have any objection to this request.

RECOMMENDATION: That the Board:

- 1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
- 2. Authorize the issuance of a right-of-entry permit to Hawaii Explosives and Pyrotechnics, Inc. on March 28, 2016 covering the subject area for aerial fireworks display purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current right-of-entry permit form, as may be amended from time to time with the additional requirement for the posting of a \$250,000 performance bond; and
 - B. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Cal Miyahara

Shoreline Disposition Specialist

APPROVED FOR SUBMITTAL:

Suzanne D Case, Chairperson

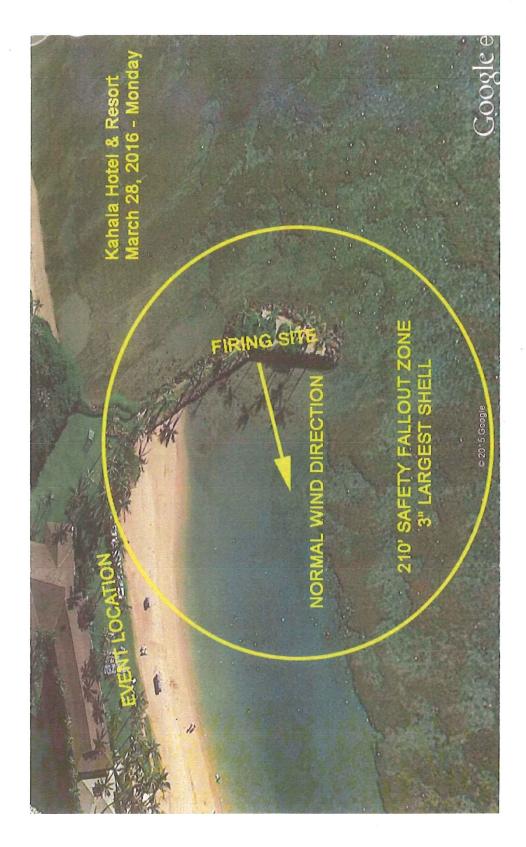


EXHIBIT A

EXEMPTION NOTIFICATION

Regarding the preparation of an environmental assessment pursuant to Chapter 343, HRS and Chapter 11-200, HAR

Project Title:

Issuance of right-of-entry for aerial fireworks display fronting the Kahala

Hotel on March 28, 2016.

Project / Reference No.:

PSF 16OD-018

Project Location:

Waialae, Honolulu, Oahu, TMK (1) 3-5-023:seaward of 041.

Project Description:

Aerial Fireworks Display fronting Kahala Hotel on March 28, 2016.

Chap. 343 Trigger(s):

Use of State Land

Exemption Class No.:

In accordance with Hawaii Administrative Rule Section 11-200-8 and the Exemption List for the Department of Land and Natural Resources approved by the Environmental Council and dated June 5, 2015, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item 51.

In the past, permits were periodically issued for conducting aerial fireworks display on the beach in this area, which have resulted in no known significant impacts to the natural and environmental resources in the area. As such staff believes that the proposed event would involve negligible or no expansion or change in use of the subject area beyond that

previously existing.

Consulted Parties:

Comments requested from OCCL. As of this writing, OCCL has not

provided comments.

Recommendation:

It is recommended that the Board find that this project will probably have minimal or no significant effect on the environment and is presumed to be

exempt from the preparation of an environmental assessment.

Suzanne D. Case, Chairperson

Date 3/2/16

EXHIBIT B

DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809 SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA FIRST DEPUTY

JEFFREY T. PEARSON, P.E.

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

PSF No.: 16OD-018

March 11, 2016

Ms. Stephanie Pascual Hawaii Explosives & Pyrotechnics, Inc. P.O. Box 1244 Keaau, Hawaii 96749

Dear Ms. Pascual:

Subject:

Issuance of Right-of-Entry Permit to Hawaii Explosives & Pyrotechnics, Inc. for Aerial Fireworks Display on March 28, 2016 at the beach fronting the Kahala Hotel, Waialae, Honolulu, Oahu, Tax Map Key: (1) 3-5-023:seaward of 041.

We are pleased to inform you that at its meeting of March 11, 2016, under agenda item D-7, the Board of Land and Natural Resources approved the above referenced request. Therefore, Hawaii Explosives & Pyrotechnics, Inc. is hereby granted a right-of- entry permit to utilize the above referenced area consisting of approximately 500 square feet for the set-up and firing site area, plus a safety zone with a radius of approximately 250 feet around the firing site (as shown on **Exhibit A**) subject to the following terms and conditions:

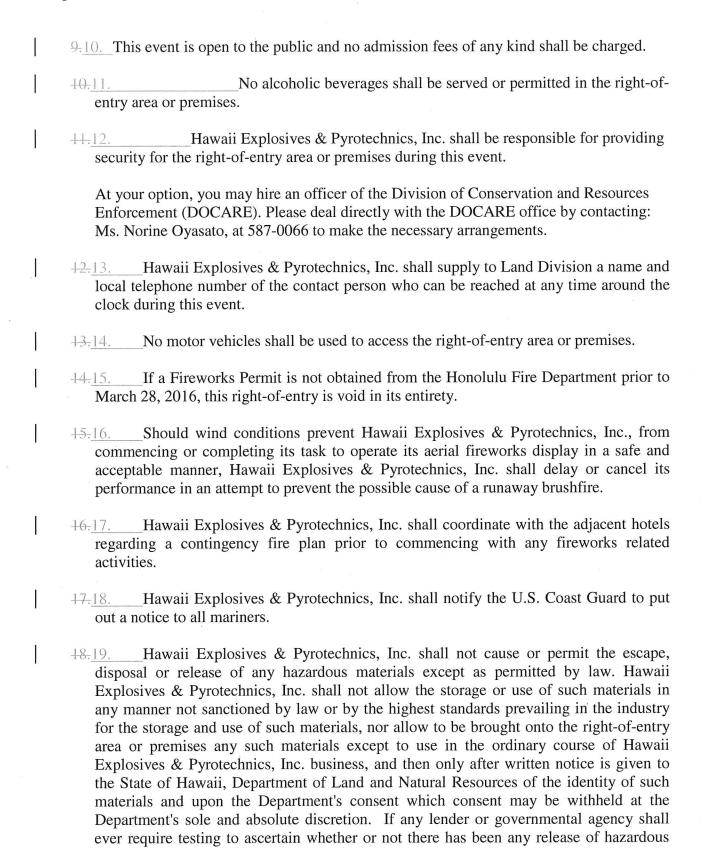
- 1. Upon acceptance of the terms and conditions herein, and payment of \$550, this right-of-entry permit shall be effective between 2:00 p.m. to 10:00 p.m. on March 28, 2016.
- 2. Hawaii Explosives & Pyrotechnics, Inc. shall obtain the appropriate fireworks permits from the Honolulu Fire Department.
- 3. Hawaii Explosives & Pyrotechnics, Inc. shall procure at its own expense, and maintain during the entire period of this right-of-entry, from an insurance company or companies licensed or authorized to do business in the State of Hawaii with an AM Best rating of not less than "A-" or other comparable and equivalent industry rating, a policy or policies of comprehensive public liability insurance or its equivalent, in an amount of at least \$1,000,000 for each occurrence and \$2,000,000 aggregate, and with coverage terms acceptable to the Chairperson of the Board. The policy or policies of insurance shall

name the State of Hawaii as an additional insured and a copy shall be filed with the State of Hawaii, Department of Land and Natural Resources. The insurance shall cover the entire premises, including all buildings, improvements, and grounds and all roadways or sidewalks on or adjacent to the premises in the use or control of Hawaii Explosives & Pyrotechnics, Inc. Hawaii Explosives & Pyrotechnics, Inc. shall furnish the Department with a certificate(s) showing the policy(s) to be initially in force, keep certificate(s) on deposit during the entire period and furnish a like certificate(s) upon each renewal of the policy(s). This insurance shall not be cancelled, limited to scope of coverage, or nonrenewed until written notice has been given to the Department. The Department shall retain the right at any time to review the coverage, form, and amount of the insurance required. If, in the opinion of the Department, the insurance provisions in this right-ofentry do not provide adequate protection for the Department, the Department may require Hawaii Explosives & Pyrotechnics, Inc. to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. The Department's requirements shall be reasonable but be designed to assure protection for and against the kind and extent of the risks which exist at the time a change in insurance is required. The Department shall notify Hawaii Explosives & Pyrotechnics, Inc. in writing of changes in the insurance requirements and Hawaii Explosives & Pyrotechnics, Inc. shall deposit copies of acceptable insurance policy(s) or certificate(s) thereof, with the Department incorporating the changes within receipt of the notice. The procuring of the required policy(s) of insurance shall not be construed to limit Hawaii Explosives & Pyrotechnics, Inc.'s liability under this right-of-entry nor to release or relieve Hawaii Explosives & Pyrotechnics, Inc. of the indemnification provisions and requirements of this right-ofentry. Notwithstanding the policy(s) of insurance, Hawaii Explosives & Pyrotechnics, Inc. shall be obligated for the full and total amount of any damage, injury, or loss caused by Hawaii Explosives & Pyrotechnics, Inc.'s negligence or neglect connected with this right-of-entry.

- 4. At all times herein, Hawaii Explosives & Pyrotechnics, Inc. shall keep the right-of-entry area or premises in a strictly clean, sanitary and orderly condition.
- 5. Hawaii Explosives & Pyrotechnics, Inc. shall be responsible for cleaning and restoring the area or premises to itstheir original condition or a condition satisfactory to the Department of Land and Natural Resources upon completion of the day's event. All trash and debris shall be removed from the area or premises, including, but not limited to, the remains of spent pyrotechnic shells. Hawaii Explosives & Pyrotechnics, Inc. shall submit to the Department satisfactory evidence of the clean-up, including: (i) date-stamped photographs of the premises taken during the daytime on the day of the event and on the day immediately following the event; (ii) a certification regarding the clean-up of the premises in the form attached hereto completed by Hawaii Explosives & Pyrotechnics, Inc. (see Exhibit B-1); and (iii) a certification regarding the clean-up of the premises in the form attached hereto completed by the property owner or operator who contracted for the event, or who accommodated guests who contracted for the event (see Exhibit B-2). The photographs and completed certifications shall be submitted to the Department

within five business days after the event, or the deposit shall be forfeited. Additionally, if a staff inspection of the premises results in a finding by the Department that the photographs or certifications are inaccurate, incomplete or otherwise unreliable, or the clean-up is not satisfactory to the Department, the deposit shall be forfeited and such finding and forfeiture shall be relayed to the Land Board the next time Hawaii Explosives & Pyrotechnics, Inc. applies for a right-of-entry permit for a pyrotechnic display. The terms conditions relating to the clean-up of the premises extend to all State owned lands in the vicinity that are impacted by the event, including, without limitation, submerged lands.

- 6. Hawaii Explosives & Pyrotechnics, Inc., shall comply with all of the requirements of all municipal, state, and federal authorities and observe all municipal, state and federal laws applicable to the right-of-entry area or premises, now in force or which may be in force.
- 7. Hawaii Explosives & Pyrotechnics, Inc. shall indemnify, defend, and hold the State of Hawaii, Department of Land and Natural Resources harmless from and against any claim or demand for loss, liability, or damage, including claims for bodily injury, wrongful death, or property damage, arising out of or resulting from: (1) any act or omission on the part of Hawaii Explosives & Pyrotechnics, Inc. use, occupancy, maintenance, or enjoyment of the right-of-entry area or premises; (2) any failure on the part of Hawaii Explosives & Pyrotechnics, Inc. to maintain the right-of-entry area or premises and areas adjacent thereto in Hawaii Explosives & Pyrotechnics, Inc. use and control, and including any accident, fire or nuisance, growing out of or caused by any failure on the part of Hawaii Explosives & Pyrotechnics, Inc., to maintain the area or premises in a safe condition; and (3) from and against all actions, suits, damages, and claims by whomsoever brought or made by reason of Hawaii Explosives & Pyrotechnics, Inc., non-observance or non-performance of any of the terms, covenants, and conditions of this right-of-entry or the rules, regulations, ordinances, and laws of the federal, state, municipal or county governments.
- 7-8 Hawaii Explosives & Pyrotechnics, Inc. shall, at its own cost and expense, procure and deposit with the Department, and thereafter keep in full force and effect as long as it continues to conduct fireworks displays in the State, a good and sufficient surety bond, conditioned upon the full and faithful observance and performance by Hawaii Explosives & Pyrotechnics, Inc. of all required clean up and remediation of the permit area to the satisfaction of the Department, in the amount of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00). This bond shall provide that in case of a breach, default or other failure to perform the required clean up and remediation activity, the Department may draw on the bond as necessary to compensate the Department for clean-up costs and administrative time incurred in addressing such breach or default.
- 8.9. All equipment shall be placed within the right-of-entry area or premises described on the attached map.



materials by Hawaii Explosives & Pyrotechnics, Inc., then the Hawaii Explosives & Pyrotechnics, Inc. shall be responsible for the cost thereof. In addition, Hawaii Explosives & Pyrotechnics, Inc. shall execute affidavits, representations and the like from time to time at the Department's request concerning Hawaii Explosives & Pyrotechnics, Inc. best knowledge and belief regarding the presence of hazardous materials on the right-of-entry area or premises placed or released by Hawaii Explosives & Pyrotechnics, Inc.

Hawaii Explosives & Pyrotechnics, Inc. agree to indemnify, defend and hold the State of Hawaii, Department of Land and Natural Resources harmless, from any damages and claims resulting from the release of hazardous materials on the right-of-entry area or premises occurring while Hawaii Explosives & Pyrotechnics, Inc. is in possession, or elsewhere if caused by Hawaii Explosives & Pyrotechnics, Inc.. These covenants shall survive the expiration or earlier termination of this right-of-entry.

For purposes of this right-of-entry, "hazardous material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, or oil as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, or any other federal, state, or local environmental law, regulation, ordinance, rule, or by-law, whether existing as of the date hereof, previously enforced, or subsequently enacted.

- Hawaii Explosives & Pyrotechnics, Inc. in the exercise of this right-of-entry shall use appropriate precautions and measures to minimize inconveniences to surrounding residents, landowners, and the public in general.
- All costs associated with the construction within the right-of-entry area or premises shall be the sole responsibility of Hawaii Explosives & Pyrotechnics, Inc.
- Hawaii Explosives & Pyrotechnics, Inc. shall maintain and employ debris, pollution and contamination control measures, safeguards and techniques to prevent debris, pollution or contamination to the ocean waters, streams or waterways resulting from Hawaii Explosives & Pyrotechnics, Inc. use, maintenance, repair and operation of the right-of-entry area or premises, and shall take immediate corrective action in the event of such pollution or contamination to immediately remove the cause of such pollution or contamination, and shall immediately clean the right-of-entry area or premises and its surrounding waters of such pollutant or contaminant and restore to the State of Hawaii, Department of Land and Natural Resources satisfaction the areas affected by such pollution or contamination, all at Hawaii Explosives & Pyrotechnics, Inc. own cost and expense.
- In the event any unanticipated sites or remains such as bone or charcoal deposits, human burials, rock or coral alignments, pavings or walls are encountered the Hawaii

Enclosures

Explosives & Pyrotechnics, Inc. Preservations Division in Kapolei at	shall stop work and contact the State Historic (808) 692-8015 immediately.
Chairperson of the Board of Land	sing under this right-of-entry shall be referred to the dand Natural Resources for a determination and on. The Chairperson's decision shall be final and
25.26. This right-of-entry or any rig leased, let, mortgaged or otherwise tr	hts hereunder shall not be sold, assigned, conveyed, ansferred or disposed.
	nd Natural Resources reserves the right to impose conditions as it deems necessary while this right-of-
of the signed acceptance page as well as pay	e above terms and conditions, kindly submit a copy yment of \$550.00, made payable to the "Department that fee for the permit area no later than March 28
We have already received a copy of have any questions, please contact Cal Miyal	your Certificate of Liability Insurance. Should you hara of our Land Division at 587-0424.
	Sincerely,
	Suzanne D. Case Chairperson
ACCEPT: Hawaii Explosives & Pyrotechnics, Inc.	
By: Its:	



CERTIFICATION

I,	, of
	(print name) (job title or position) i Explosives & Pyrotechnics, Inc., hereby CERTIFY as follows:
	1. The Right of Entry issued to Hawaii Explosives & Pyrotechnics, Inc. and dated March 11, 2016, a copy of which is attached to and made a part of this Certification and is hereafter referred to as "ROE," was issued for an aerial fireworks display activity occurring on State lands located at: Kahala Hotel Beach, Waialae, Honolulu, Oahu, TMK: (1) 3-5-023:seaward of 041.
	2. I have personally or through a responsible employee, employees, or designed determined that the ROE provisions for clean-up during and after the cessation of the activity for which the ROE was issued has been substantially complied with in accordance with the clean-up terms of the ROE, including but not limited to removing debris or other pollutants from lands and ocean waters arising or resulting from the above-described activity, and I am satisfied with such clean up as though the premises of the ROE were my or my company's or organization's own lands and waters. Such determination is based on observation, inspection, and/or other evidence, and is not wholly based on general representations.
	3. I understand that the Board of Land and Natural Resources will rely on this certification as well as the evidence of clean up provided by the ROE holder to the Department of Land and Natural Resources.
	Signature
	Date:

CERTIFICATION

I, _		,	of
	(print name)	(job title or position)	
		, hereby	
(con	npany or organization)		
CER'	TIFY as follows:		
	March 11, 2016, a copy of whi is hereafter referred to as "R connected to, or arose from an adjacent to my real property or	ded to Hawaii Explosives & Pyrotechnics, Inc. and the chis attached to and made a part of this Certification OE," was obtained in conjunction with, is related aerial fireworks display activity occurring on State my company's or organization's real property (held a der of other right of possession), located at Kahala H, Hawaii.	n and ed or lands as fee
	determined that the ROE provactivity for which the ROE accordance with the clean-up to debris or other pollutants from above-described activity, and I the ROE were my or my cor	arough a responsible employee, employees, or descisions for clean-up during and after the cessation of was issued have been substantially complied with erms of the ROE, including but not limited to remain lands and ocean waters arising or resulting from am satisfied with such clean up as though the premising any's or organization's own lands and waters. Servation, inspection, and/or other evidence, and is sof the ROE holder.	of the th in oving the the ses of Such
		ard of Land and Natural Resources will rely on this ence of clean up provided by the ROE holder to the l Resources.	
		Signature	